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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

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In the Matter of )  
Deployment of Wireline Services Offering ) CC Docket No. 98-147  
Advanced Telecommunications Capability )

OCT 16 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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REPLY COMMENTS OF  
ALLEGIANCE TELECOM, INC.

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Robert W. McCausland  
Vice President, Regulatory and  
Interconnection  
ALLEGIANCE TELECOM, INC.  
1950 Stemmons Freeway, Suite 3026  
Dallas, TX 75207-3118  
Tele: (214) 261-7117  
Fax: (214) 261-7110

By: Jonathan E. Canis  
Ross Buntrock  
KELLEY DRYE & WARREN LLP  
1200 Nineteenth Street, NW  
Fifth Floor  
Washington, DC 20036  
Tele: (202) 955-9664  
Fax: (202) 955-9792

Counsel for  
ALLEGIANCE TELECOM, INC.

October 16, 1998

## SUMMARY

In these reply comments, Allegiance fully and completely agrees with the comments voiced by many competitive local exchange carriers who stated that the single most significant barrier to infrastructure investment is the continuing failure of incumbent LECs to open their networks to competition as required by the Act.

To improve competitor access, Allegiance agrees that the Commission should establish national collocation standards. The Commission has express statutory authority to define national collocation standards, and Allegiance supports commenters who suggest that the Commission should use this authority to improve the terms and conditions by which competitive carriers obtain physical and virtual collocation. Additionally, Allegiance suggests that the Commission should endorse optical interconnection and dark fiber as UNEs to speed the deployment of advanced broadband services. Without fiber-based interconnection and access to dark fiber, efforts by competitive carriers to deploy advanced services will be stifled. By the same token, the Commission should endorse price imputation to prevent incumbents from imposing price squeezes on competitors by not including the cost of local loops and collocation in retail advanced service offerings.

Allegiance also notes that the incumbent LECs greatly overstate the costs and difficulties of the Commission's separate affiliate proposal. Competitive LECs have built from scratch substantial facilities-based networks in short order, and Allegiance sees no reason why an incumbent LEC data affiliate would lack the ability to do the same.

In response to Bell Operating Company ("BOC") pleas for "limited" or "targeted" pre-271 interLATA relief, Allegiance submits that any such relief will serve only to discourage rapid deployment of advanced services by reducing BOC incentive to open their networks as

required by the procompetitive provisions of the Communications Act. Indeed, Allegiance submits that the BOCs very well know what they must do to satisfy section 271 and lawfully earn interLATA relief; however, rather than step-up to their obligations, the BOCs instead seek to extend their monopoly grip to in-region markets on a “targeted” basis. The Commission should flatly reject these efforts and instead require incumbents to open their networks to competition as required by the Act.

Finally, Allegiance urges the Commission to couple its efforts with rigorous and meaningful performance standards and penalties. Allegiance strongly believes that any Commission action in this proceeding will only be as effective as the mechanisms promulgated for enforcement purposes.

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Allegiance Telecom, Inc. ("Allegiance"), by its counsel, respectfully submits its reply comments in the above-captioned proceeding. Allegiance supports the Commission's efforts to implement section 706 of the Telecommunications Act of 1996<sup>1</sup> to encourage the deployment of advanced telecommunications capability to all Americans. In these reply comments, Allegiance fully and completely agrees with the comments voiced by many competitive local exchange carriers ("LECs") who stated that the single most significant barrier to infrastructure investment is the continuing failure of incumbent LECs to open their networks to competition as required by the Act.

To encourage incumbent LECs to meet their statutory obligations, Allegiance respectfully submits that the Commission should adopt the procompetitive proposals included in

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<sup>1</sup> Pub. L. 104-104, Title VII, § 706, Feb. 8, 1996, 110 Stat., reproduced in the notes under 47 USC § 157. Hereinafter, all statutory references will be made to the Communications Act of 1934, as amended (the "Act").

its *NPRM* and additionally adopt several of the measures proposed by competitive LECs. Specifically, the Commission absolutely should establish national collocation standards to reflect the procompetitive provisions of the Act. The Commission also should expressly adopt optical interconnection standards and optical unbundled network elements ("UNEs"), as well as a dark fiber UNE, so that competitive LECs will have the means to deploy advanced broadband services. Additionally, the Commission should adopt the proposal of Covad and NorthPoint and require price imputation to prevent incumbent LEC-imposed price squeezes. Furthermore, the Commission should flatly reject Bell Operating Company ("BOC") contentions that establishing a separate affiliate is "too hard," and expressly deny BOC proposals for pre-271 interLATA relief, as any such relief will only encourage further BOC recalcitrance. Finally, the Commission must back up its procompetitive actions with meaningful performance standards and penalties to detect and correct incumbent LEC foot dragging and backsliding. Each of these items is explained in detail in the paragraphs that follow.

#### **I. THE RECORD CLEARLY SUPPORTS NATIONAL COLLOCATION STANDARDS**

As thoroughly documented in the record of this proceeding, incumbent LECs are inconsistent in the collocation standards they impose on competitive LECs. Collocation arrangements which one incumbent finds feasible, or offers pursuant to state commission order, are rejected by other LECs. Worse yet, incumbent practices are inconsistent within their own in-region territories. For example, Bell Atlantic has voluntarily offered a number of collocation alternatives in New York, but refuses to provide these same offerings to competitors in other states within the Bell Atlantic region.

Commission-adopted national standards for collocation would encourage the deployment of advanced services by increasing predictability and certainty, by eliminating some of the more onerous collocation requirements and limitations imposed by incumbent LECs in some areas, and by facilitating market entry by competitors operating in several states. Allegiance agrees that the Commission has clear statutory authority to adopt national collocation standards pursuant to sections 201 and 251 of the Act.<sup>2</sup> Indeed, the Commission authority not only is historically well-established, but was recently confirmed by the Eighth Circuit Court of Appeals, which noted:

[W]e stand behind our earlier determinations upholding several of the Commission's unbundling rules in light of the Act's terms, and we also find that the Commission's **rules and policies** regarding an incumbent LEC's duty to provide for physical collocation of equipment to be consistent with the Act's terms contained in subsection 251(c)(6).<sup>3</sup>

Clearly then, in spite of incumbent LEC claims to the contrary, the Commission has authority to expand its existing collocation standards to encourage competition and rapid deployment of advanced services. To this end, Allegiance supports the proposals presented by commenting parties to: (A) update the Commission's physical collocation rules and (B) overhaul existing virtual collocation rules.

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<sup>2</sup> *NPRM* at ¶ 123.

<sup>3</sup> *Iowa Utilities Bd. v. FCC*, 120 F.3d 753, 818 (8th Cir. 1997) *cert granted sub nom. AT&T Corp. v. Iowa Utils. Bd.*, 118 S. Ct. 879 (U.S. 1998) (emphasis added).

**A. The record supports Commission action to improve physical collocation**

The Commission's *NPRM* and the comments of many parties introduced myriad procompetitive actions that should be included in national collocation standards to encourage the rapid deployment of advanced services. Below, Allegiance briefly outlines the collocation proposals that it considers most important for inclusion in the Commission's national standards.

Cageless Collocation. Allegiance notes that competitive LECs unanimously support Commission establishment of the terms and conditions for cageless collocation. No incumbent LEC has posed any serious opposition to cageless collocation, and therefore the Commission should adopt national standards for cageless collocation, including detailed procedures and time limits under which incumbent LECs must provide cageless collocation.

Eligible Equipment. Allegiance supports the view that there is no basis for differentiating between circuit or packet switching equipment for purposes of collocation. Both kinds of switches are increasingly combined with other equipment, such as multiplexers, that competitive LECs may already collocate. Restrictions on collocating small electronic equipment that performs switching functions impose artificial constraints on the design and manufacture of equipment that result in inefficiencies and increased costs. Thus, the Commission should include in any national collocation standards language that permits competitive LECs to collocate essentially any kind of compact equipment used for voice and data telecommunications.

While Allegiance supports the use of Network Equipment Building Specifications ("NEBS") safety standards, the Commission should prohibit incumbent LECs from imposing safety standards that are more stringent than those that they apply to themselves. Additionally, Allegiance agrees with those who argue that the Commission should not require equipment to



meet NEBS quality standards, as any such restriction could greatly limit the ability of competitive LECs to collocate.

Cross-connects between Competitive LECs for Interconnection. Allegiance supports the assertion by many commenting parties that Commission collocation standards should expressly prohibit incumbent LECs from placing limits on the ability of competitive LECs to use fiber or optical cross-connects to interconnect collocation arrangements. Allegiance concurs with ICG, which noted that incumbent LECs often attempt to impose unnecessary racking and equipment requirements that artificially raise the cost of competitive LEC-to-competitive-LEC interconnection with absolutely no business justification.<sup>4</sup> Thus, Allegiance recommends that the Commission adopt the Public Utility Commission of Texas' approach, which prohibits incumbent LECs from placing restrictions on competitive LEC use of cross-connections to interconnect collocated equipment.<sup>5</sup>

Collocation space management. The Commission should adopt its proposal that incumbent LECs prove that there is insufficient central office space for collocation by means of a tour of the central office provided to the competitive LEC.<sup>6</sup> The Commission should also adopt its proposal that incumbents provide to competitive LECs on request a report showing available collocation space.<sup>7</sup> These measures would be very beneficial to competitive LECs and should not unduly burden incumbents. Additional information concerning available collocation space

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<sup>4</sup> ICG Comments at 25-27.

<sup>5</sup> Public Utilities Commission of Texas at 8.

<sup>6</sup> *Section 706 NPRM* at ¶ 146.

<sup>7</sup> *Id.* at ¶ 147.

would help competitive LECs and regulators informally monitor incumbent LEC collocation practices by making such information readily available.

**B. The record supports Commission action to reform antiquated virtual collocation rules**

Allegiance urges the Commission to establish a regulatory framework for virtual collocation pursuant to which competitive LECs can own and control the collocated equipment. Allowing competitive LECs to install their own equipment on a basis that is closely integrated with incumbent LEC facilities in the central office would take far less space than caged or cageless physical collocation and preserve for competitive LECs some of the key benefits of physical collocation.

The Commission's existing virtual collocation rules are a vestige of the Commission's pre-1996 Act inability to mandate physical collocation. Prior to the 1996 Act, the Commission lacked express authority to require LECs to offer physical collocation to competitive carriers.<sup>8</sup> With the passage of the 1996 Act, however, Congress empowered the Commission with substantive authority to develop rules regarding physical and virtual collocation, and Allegiance suggests that the Commission update its existing virtual collocation rules to make virtual collocation more palatable to competitive LECs seeking to interconnect with the incumbent LECs.

Allegiance supports the suggestion of Covad that competitive LECs using virtual collocation should have the ability to purchase their own equipment and to hire independent

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<sup>8</sup> *Bell Atlantic v. FCC*, 24 F.3d 1441 (DC Cir. 1994).

third-party vendors to service virtually collocated equipment.<sup>9</sup> These actions would enable competitive LECs to gain at least some degree of control over their facilities and the people who maintain them. While physical collocation will, in essentially every instance, be superior to virtual collocation, new Commission rules endorsing competitive LEC ownership and third-party repair of virtually collocated equipment would greatly improve the usefulness of virtual collocation.

## **II. AFFIRMATIVE COMMISSION ENDORSEMENT OF OPTICAL INTERCONNECTION AND DARK FIBER AS UNES WILL RAPIDLY SPEED THE DEPLOYMENT OF ADVANCED SERVICES**

Allegiance requests that the Commission affirmatively declare that the incumbent LECs must offer competitive LECs optical interconnection and access to dark fiber as UNEs. Access to optical interconnection and dark fiber as UNEs is critical to competitive LEC efforts to deploy advanced broadband services.

### **A. Competitive LEC access to optical interconnection will speed the deployment of advanced services**

The Commission should require incumbent LECs to permit interconnection through direct fiber-meet arrangements in incumbent LEC central offices or at other points in the network where it is technically feasible to do so. Incumbent LECs have been denying Allegiance's request for such direct optical interconnection, which imposes unnecessary costs on competitive LECs and hinders their provision of advanced services.

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<sup>9</sup> Covad at 36.

Similarly, the Commission should require incumbents to offer the full array of interface options that are normally associated with direct optical connections such as the single mode fiber ("SMF") 28 interface.<sup>10</sup> The Commission should also require that incumbents offer both channelized and unchannelized high capacity interfaces such as OC3 and OC3c. Of course, under section 251(c)(2), it would also be necessary for the incumbent LEC to provide these optical interconnection arrangements at reasonable rates. Without fiber-meet interconnection, competitive LEC efforts to deploy advance broadband capabilities will be handicapped.

**B. Competitive LEC access to dark fiber as a UNE will speed the deployment of advanced service**

Allegiance strongly supports the position of several competitive providers that the Commission should classify dark fiber as a UNE.<sup>11</sup> Section 3(29) of the Act defines a network element as "... a facility or equipment used in the provision of a telecommunications service ...,"<sup>12</sup> and dark fiber clearly meets the Act's definition of network element, because dark fiber without question is a facility used to provide telecommunications service. The *Local Competition Order* expressly declined to reach the issue of whether dark fiber should be considered a UNE,<sup>13</sup> and the ensuing uncertainty surrounding the status of dark fiber has greatly slowed the ability of competitive LECs to deploy advanced broadband facilities on a wide scale.

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<sup>10</sup> The SMF 28 interface is a standard fiber interface that involves use of a grade of fiber equivalent to that employed by most incumbent LECs.

<sup>11</sup> RCN at 17; Qwest at 66.

<sup>12</sup> 47 USC § 153(29).

<sup>13</sup> *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, 15722 (1996) ("*Local Competition Order*") (subsequent history omitted).

Fiber cable has become the premier communications transmission facility, combining low cost, efficiency, and huge capacity. Requiring incumbent LECs to offer dark fiber as a UNE to competitive LECs would substantially promote competition in the provision of advanced services. However, as Qwest notes, the incumbent LECs do not want to offer dark fiber and OC-N rate capabilities to competitive LECs because by doing this they will “cannibalize” their high-margin, lower-bandwidth services.<sup>14</sup> A Commission-endorsed dark fiber UNE would go a long way toward enabling competitive LECs to offer advanced high-bandwidth services.

### **III. PRICE IMPUTATION FOR ADVANCED SERVICES IS CRITICAL TO THE RAPID DEPLOYMENT OF THESE SERVICES BY COMPETITIVE PROVIDERS**

Allegiance strongly supports the comments that urge the Commission to require incumbent LECs to impute the cost of loops and collocation into their retail digital subscriber line (“xDSL”) tariffed rates.<sup>15</sup> Failure to require incumbent LECs to impute the actual cost of providing service in their retail tariffs will enable the incumbent LECs to leverage their bottleneck loop facilities to exact a price squeeze on competitors, which will make competitive LEC deployment of advanced telecommunications capability cost prohibitive. The Commission previously has noted that “an imputation rule could help detect and prevent price squeezes,”<sup>16</sup>

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<sup>14</sup> Qwest at 66.

<sup>15</sup> Covad Comments at 48; NorthPoint Comments at 35-39.

<sup>16</sup> *Local Competition Order*, 11 FCC Rcd. 15499, 15922.

and Allegiance submits that nothing short of an imputation rule will prevent price squeezes for advanced services, especially xDSL services.

The need for price imputation for xDSL services is real and immediate. Covad and NorthPoint, for example, each point out that incumbent LECs already have filed federal ADSL tariffs which will effect a cost-price squeeze on their competitors by failing to reflect the costs of the local loop and collocation.<sup>17</sup> In so doing, the incumbent LECs are able to leverage their rate-payer financed bottleneck facilities to offer ADSL service at retail rates that are lower than the charges incumbent LECs impose on competitive LECs for UNEs and collocation, both of which are necessary to provide competitive xDSL services. To combat this problem, the Commission should require incumbent LECs (or incumbent LEC affiliates) providing advanced services to impute the costs of monopoly inputs into their retail rates before they provide such services.

#### **IV. THE INCUMBENT LECS GREATLY OVERSTATE THE COSTS AND DIFFICULTIES OF THE COMMISSION'S SEPARATE AFFILIATE PROPOSAL**

Allegiance submits that the incumbent LECs seriously overstate the costs and difficulties of establishing a structurally separate affiliate for advanced services. Bell Atlantic, for example contends that separate subsidiary obligations are actually anticompetitive and hurt consumers by artificially imposing unnecessary costs on one of the competitors.<sup>18</sup> U S WEST

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<sup>17</sup> Covad Comments at 48; NorthPoint Comments at 35-39.

<sup>18</sup> Bell Atlantic at 22.

goes so far as to state that the Commission's separate data affiliates proposal "would be more destructive than the unbundling and resale rules that mechanism is intended to alleviate."<sup>19</sup>

Indeed, the biggest concern of U S WEST is that it might actually have to compete on an equal footing with competitive LECs. In the words of U S WEST, "[an incumbent LEC] data affiliate would be forced to purchase loops at tariffed rates in order to provide integrated services, just as CLECs must. Having to pay for loops would prevent incumbents from serving the mass market, just as it has deterred CLECs...."<sup>20</sup> The incumbent LECs, it seems, feel that it's just too hard to go into the competitive LEC business, and instead would prefer to "compete" through leveraging their rate-payer financed network against "interlopers" that seek to provide competitive service.

Incumbent LEC complaints regarding the difficulties of providing competitive service in competitive markets fall on deaf ears. Allegiance and other competitive LECs have proven themselves more than willing to enter markets and compete toe-to-toe against the entrenched and hostile monopolists. On Labor Day 1997, for example, Allegiance had fewer than a dozen employees; nonetheless, Allegiance activated its first dialtone switch from scratch in early April, 1998 (about seven months later), and since that time, Allegiance has managed to roll out numerous additional switches as well. If a start-up enterprise, working from scratch, can launch facilities-based dialtone service in seven months, an incumbent LEC separate affiliate should be able to roll out data services.

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<sup>19</sup> U S WEST at 15.

<sup>20</sup> *Id.* at 27 n.33.

**V. PRE-271 INTERLATA RELIEF WILL DISCOURAGE THE  
DEPLOYMENT OF ADVANCED SERVICES BY REDUCING THE  
BOCS' INCENTIVE TO OPEN LOCAL MARKETS**

The Bell Operating Companies ("BOCs") have produced no credible evidence that the interLATA restriction is preventing them from providing advanced services. Indeed, U S WEST is presently engaged in the most aggressive ADSL service rollout of any incumbent LEC, in terms of geographic area and number of customers covered – as reported by U S WEST, it plans to make ADSL service available to 5.5 million customers throughout its 14-state territory.<sup>21</sup> Obviously, this was in planning and development for years – long before any 706 pleadings were filed. U S WEST could have sought limited interLATA relief at any time, but did not because it was unnecessary then and remains unnecessary today. Moreover, Bell Atlantic, BellSouth, and Pacific Bell have filed tariffs with the FCC announcing pricing and plans for widespread deployment of DSL service. Clearly, the interLATA restrictions are not preventing – or even slowing – BOC deployment of advanced services.

InterLATA relief is the "carrot" that promotes incumbent LEC procompetitive behavior. To the extent that the promise of providing in-region long distance service doesn't compel the BOCs to open their markets, the promise of providing in-region interLATA advanced services will further encourage the BOCs to take the steps necessary to open their networks to competitors. Until such time, however, even a limited grant of relief would create a substantial disincentive for a BOC to implement the procompetitive provisions of the Act. Moreover, the plain language of the Act states that the Commission may not forbear from applying sections 251

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<sup>21</sup> U S WEST press release, <http://www.uswest.com/com/insideusw/news/012998.html>.



or 271 of the Act until these provision are fully implemented,<sup>22</sup> and the BOCs clearly have not satisfied these statutory obligations. Thus, not only would targeted interLATA relief be bad policy, but it would also violate the Act.

In any event, Allegiance submits that any effort to carve out a limited interLATA exception would be impossible to monitor. Advanced services are used to provide a variety of services, from Internet access to POTS, and it would be impossible to determine if a BOC was in fact restricting itself to providing only the designated advanced services. Thus, any form of interLATA relief would disrupt the regulatory balance of the Act, and would disserve the public interest.

#### **VI. THE COMMISSION SHOULD COUPLE ITS EFFORTS WITH RIGOROUS AND MEANINGFUL ENFORCEMENT MECHANISMS**

Allegiance submits that the record shows clear support for Allegiance's position that the Commission must accompany all of its proposals with a commitment to rigorous and meaningful enforcement in order to realize their procompetitive benefits.<sup>23</sup> Additionally, Allegiance strongly supports those commenters who suggest that the Commission possesses the necessary jurisdictional mandate to hear and adjudicate all disputes involving its rules – including collocation rules.<sup>24</sup> To resolve issues that flow from rules promulgated in this

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<sup>22</sup> 47 USC § 160.

<sup>23</sup> ALTS at 42; e.spire at 26, Covad at 28; Rhythms NetConnections at 23-26. Allegiance also recommends that the Commission should affirmatively establish rules to prevent BOC backsliding prior to the time any BOC receives approval to provide in-region interLATA service.

<sup>24</sup> e.spire at 42.

proceeding, Allegiance agrees with e.spire's proposal that the Commission should make available the newly established Accelerated Complaint Procedure, which Allegiance, e.spire, and others refer to as the "Rocket Docket."<sup>25</sup>

As Allegiance noted in its reply comments in the Commission's companion 706 NOI,<sup>26</sup> the Commission should utilize the Rocket Docket to fill jurisdictional gaps that may exist at the state level. As a case in point, the Coalition of Utah Independent Service Providers' ("Utah Coalition") 706 NOI comments detailed the group's inability to obtain relief in an anticompetitive discrimination complaint before the Utah Public Service Commission. Utah state law apparently prohibits the state commission from conducting pricing proceedings for new services. Instead, U S WEST simply files a "price list" in lieu of a tariff, which takes effect after five days.<sup>27</sup> If a pricing complaint arises, the Utah commission may require U S WEST to revoke the availability of the new service, but is not permitted to require U S WEST to amend its prices to reflect the procompetitive provisions of the Communications Act. As the Utah Coalition noted, "ISPs are left with a take-it-or-leave-it proposition: they can accept the discrimination inherent in the service filed and implemented, or they can compel the only provider of DSL service in Utah to withdraw it."<sup>28</sup>

Similarly, the Texas Public Utility Commission has very little authority over the unregulated subsidiaries of Southwestern Bell Telephone ("SWBT"). Texas statute expressly

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<sup>25</sup> *Id.*

<sup>26</sup> CC Docket No. 98-147.

<sup>27</sup> Coalition of Utah Independent Internet Service Providers, CC Docket No. 98-146 at 6.

<sup>28</sup> *Id.*

limits the state commission's authority to merely accessing the records of SWBT's unregulated subsidiaries, and the state commission may do nothing more than disallow affiliate expenses in SWBT's rate-making proceedings.<sup>29</sup> Without state commission authority to review incumbent LEC subsidiary activities – including the advanced services subsidiary currently being contemplated by the Commission in its companion 706 NPRM – an incumbent LEC could easily restrain competitive carriers from deploying advanced services and sidestep important procompetitive provisions of the Act.

To prevent incumbent LECs from avoiding their statutory obligations by gaming jurisdictional gaps similar to those outlined above, Allegiance submits that the Commission should make its Rocket Docket complaint proceeding available. As an integral part of these Rocket Docket proceedings, Allegiance suggests that the Commission establish a strong advisory role for the affected state commission. For example, the Commission could require any complaining party to notify the general counsel of the relevant state commission and request the state commission to file an *amicus curiae* brief to educate the Commission on both the substance of the complaint and any jurisdictional constraint that a state commission might face. Through use of the Commission's expedited complaint process – and with the active help of the affected state commission – Allegiance submits that the Commission can plug any jurisdictional holes that might exist at the state level.<sup>30</sup>

Allegiance also supports Intermedia's suggestion that, while the Commission should consider adopting rules and policies established by state regulators, it cannot rely on state

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<sup>29</sup> See TEX. UTILITIES CODE ANN. §§ 14.003, 14.154, 53.058 (1998).

<sup>30</sup> Comments of the Coalition of Utah Independent Internet Service Providers, CC Docket No. 98-146, at 5-6 (filed Sept. 14, 1998).

regulators in all cases to provide adequate oversight of incumbent LEC-advanced services affiliate organizational structures and transactions.<sup>31</sup> As a result, the Commission must ensure that adequate enforcement mechanisms and substantive remedies are in place to address violations of the rules it adopts. Thus, Allegiance supports Intermedia's call for the Commission to take action to specify that:

- Affiliates found to be obtaining services from the incumbent LEC on a preferential basis will be prohibited from offering new services for a period of at least six months.
- Incumbent LECs that use services or facilities from affiliates to provide advanced services, in violation of the separate affiliate rules, will result in a suspension of providing new advanced services for a period of at least six months
- Fines will automatically apply upon a finding of violation of the Commission's affiliate rules.<sup>32</sup>

Allegiance strongly believes that any Commission separate affiliate plan will only be as effective as the mechanisms promulgated for enforcement purposes. As ALTS noted in its initial comments, the history of rule enforcement is a painful trail of waiver requests, confusion, and naked defiance.<sup>33</sup> Allegiance wholeheartedly agrees and submits that effective enforcement penalties are a necessary predicate to effective competition in advanced services markets.

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<sup>31</sup> Intermedia at 8.

<sup>32</sup> *Id.*

<sup>33</sup> ALTS at 67.

## VII. CONCLUSION

Allegiance very much appreciates this opportunity to present its views on specific actions that the Commission should take to encourage deployment of advanced communications services, and Allegiance urges the Commission to endorse rules and policies consistent with the procompetitive sections of the Act and the specific suggestions outlined in these reply comments.

Respectfully submitted,



By: Jonathan E. Canis

Ross Buntrock  
KELLEY DRYE & WARREN LLP  
1200 Nineteenth Street, NW  
Fifth Floor  
Washington, DC 20036  
Tele: (202) 955-9664  
Fax: (202) 955-9792

Counsel for  
ALLEGIANCE TELECOM, INC.

Robert W. McCausland  
Vice President, Regulatory and  
Interconnection  
ALLEGIANCE TELECOM, INC.  
1950 Stemmons Freeway, Suite 3026  
Dallas, TX 75207-3118  
Tele: (214) 261-7117  
Fax: (214) 261-7110

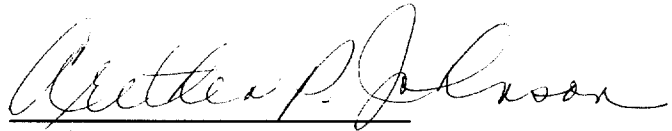
October 16, 1998

## CERTIFICATE OF SERVICE

I, Arethea P. Johnson, hereby certify that I have served a copy of "Reply Comments Of Allegiance Telecom, Inc." this 16th day of October, 1998, upon the following parties via hand delivery:

International Transcription Service, Inc.\*  
1231 20<sup>th</sup> Street, N.W.  
Washington, D.C. 20036

Janice M. Myles\*  
Federal Communications Commission  
Common Carrier Bureau  
Room 544  
1919 M Street, N.W.  
Washington, D.C. 20554

A handwritten signature in cursive script, reading "Arethea P. Johnson", written over a horizontal line.

Arethea P. Johnson